

HOLLAND & KNIGHT LLP

Michael T. Jones (SBN 290660)
Rebecca G. Durham (SBN 319403)
560 Mission Street, Suite 1900
San Francisco, CA 94105
Tel: (415) 743-6900
m.jones@hklaw.com
rebecca.durham@hklaw.com

Additional attorneys in the signature line

Attorneys for Plaintiff/Counter Defendant
Jefferies Funding LLC and Third-Party
Defendant Silo Technologies

MOYA LAW FIRM

Mario A. Moya (SBN 262059)
Rebecca M. Hoberg (SBN 224086)
1300 Clay Street, Suite 600
Oakland, California 94612
Tel: 510 926-6521
mmoya@moyalawfirm.com
rhoberg@moyalawfirm.com

Attorney for Defendant/Counter-Claimant
Dasagroup Holdings Corp. (d/b/a Kickhass
Avocados)

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

JEFFERIES FUNDING LLC,

Plaintiff,

v.

DASAGROUP HOLDINGS CORP. (d/b/a
KICKHASS AVOCADOS) and LONDON
FRUIT, INC.,

Defendants.

DASAGROUP HOLDINGS CORP. (d/b/a
KICKHASS AVOCADOS),

Counter- and Cross-Claimant,

v.

JEFFERIES FUNDING, LLC,

Counter-Defendant,

and LONDON FRUIT, INC.,

Cross-Defendant

Case No.: 3:24-cv-05639-SK

**JOINT CASE MANAGEMENT
STATEMENT**

CMC Hearing Date: January 30, 2025
Time: 2:00 p.m.
Court: Courtroom C – 15th Floor
Judge: Hon. Trina L. Thompson

Complaint Filed: August 21, 2024

Counterclaims Filed: November 4, 2024

Trial Date: January 4 - 7, 2027

1 Jefferies Funding LLC (“Jefferies”), Dasagroup Holdings Corp. (“Dasagroup”), and Silo
 2 Technologies, Inc. (“Silo Technologies”) (collectively the “Parties”)¹ jointly submit this Joint Case
 3 Management Statement for the above-captioned action (the “Action”) in accordance with the
 4 Standing Order for All Judges of the Northern District of California (effective January 17, 2023),
 5 Civil Local Rule 16-9, and the Court’s December 9, 2024 Order, ECF No. 29.

6 **1. Jurisdiction & Service**

7 Jefferies’s Complaint (ECF No. 1): Jefferies alleges that the Court has subject matter
 8 jurisdiction under 28 U.S.C. § 1332 because diversity of citizen exists between Jeffries, Dasagroup,
 9 and London Fruit, Inc. (“London Fruit”) and the amount in controversy exceeds \$75,000. There are
 10 no issues pending regarding personal jurisdiction. Venue in this District is proper under 28 U.S.C.
 11 § 1391(b)(2) because a substantial part of the events of omissions giving rise to the claims occurred
 12 in this District. The Complaint has been served on all defendants. *See* ECF No. 9, 10.

13 Dasagroup’s Counterclaims (ECF No. 28): The Court has subject matter jurisdiction over
 14 Dasagroup’s counterclaims and cross-claims under 28 U.S.C. §§ 1332 and 1367. Diversity of
 15 citizenship exists between the parties; the amount in controversy exceeds \$75,000; and the
 16 counterclaim and crossclaims are also within the supplemental jurisdiction of this Honorable Court.
 17 Dasagroup does not anticipate a challenge to venue because San Francisco County, California is
 18 the principal places of business for both Silo Technologies (plaintiff’s predecessor) and cross-
 19 defendant London Fruit. Plaintiff intends to effectuate service on London Fruit before the Case
 20 Management Conference.

21 Dasagroup’s Third-Party Complaint (ECF No. 23): The Court has subject matter
 22 jurisdiction over Dasagroup’s third party complaint against Silo Technologies under 28 U.S.C. §§
 23 1332. Diversity of citizenship exists between the parties, and the amount in controversy exceeds
 24 \$75,000. As noted previously, venue is proper for Silo in this Court.

25 ///

26 ///

27 _____
 28 ¹ Defendant London Fruit, Inc. (“London Fruit”) has not yet appeared in this Action, and is therefore
 not part of the joint case management statement.

1 **2. Facts**

2 Jefferies’s & Silo Technologies’ Statement: As part of a fraudulent scheme that netted it
3 millions of dollars, Dasagroup (i) sold receivables (the “Affected Receivables”) to Silo Technologies
4 for millions of dollars pursuant a Supplier Receivable Sales Agreement (the “Sales Agreement”); and
5 then (ii) fraudulently collected and retained millions *more* in payments from its customer, London Fruit,
6 on those very receivables. When confronted and given the opportunity to rectify its actions,
7 Dasagroup—represented by experienced counsel—entered into another agreement under which it (i)
8 acknowledged that the outstanding balance on the Affected Receivables (at that point, nearly \$3.1
9 million) was its responsibility, and (ii) agreed to satisfy that obligation on an agreed timeline. Dasagroup
10 promptly breached that agreement as well.

11 Jefferies was a secured creditor of Silo Technologies, and it holds a note that is secured by,
12 among other assets, the Affected Receivables at the center of this lawsuit. Consistent with UCC § 9-
13 607—which allows a secured party to exercise the rights of a debtor in enforcing obligations of third
14 parties on collateral—Jefferies participated in discussions with Dasagroup following Dasagroup’s
15 initial breach of the Sales Agreement and then was a party to a forbearance agreement under which
16 Dasagroup agreed to satisfy its delinquent payment obligations by making periodic payments directly
17 to Jefferies (the “Dasagroup Forbearance Agreement” or with the Sales Agreement, the “Agreements”).
18 After Dasagroup promptly breached the Dasagroup Forbearance Agreement as well (despite having
19 received over \$3.5 million in payments from London Fruit in the three months surrounding execution
20 of that agreement), Jefferies initiated action asserting claims of (1) breach of contract, (2) fraud, and
21 (3) conversion against Dasagroup, as well as a claim for breach of contract against London Fruit.

22 In response, Dasagroup is attempting, yet again, to evade its legal obligations under the
23 Agreements, by filing Counterclaims against Jefferies (see ECF Nos. 11, 28) and, two weeks later, the
24 Third-Party Complaint against Silo Technologies (see ECF No. 23), both of which make (materially
25 identical) wholly unsubstantiated claims in an effort to render the Agreements void.

26 Dasagroup’s Statement: In June 2022, Dasagroup and Silo entered into a Supplier
27 Receivable Sales Agreement whereby Silo provided commercial lending services to Dasagroup
28

1 through the Silo Instant Pay Program. While the program may have seemed like a legitimate
2 factoring arrangement, unbeknownst to Dasagroup, the Instant Pay Program was a short-term
3 lending program masquerading as a sale/factoring of receivables. The pertinent documents attached
4 to Jefferies's complaint are styled in the form of a "sale" of receivables between Silo and customers
5 like Dasagroup, but the terms of the agreement are byzantine, poorly-written, and not forthcoming
6 about the fees and financing charges to be paid by customers. More importantly, although the
7 documents proclaimed that Silo would be deemed to have purchased the receivables in a "sale,"
8 unlike a true sale of receivables, it did not assume the credit risk of nonpayment by
9 counterparties/obligors on those receivables.

10 By not assuming that credit risk and by charging-back unpaid receivables to customers like
11 Dasagroup (with additional fees), Silo converted its "sales" agreement into a loan, which, for an
12 unlicensed lender like Silo, subjects the entire arrangement to scrutiny under California's lending
13 laws and the California state constitutional prohibition on usury. Dasagroup's counterclaim and
14 the relief it seeks is intended to right this wrong, both for Dasagroup and for others caught in the
15 maw of this predatory arrangement that compounds risk for purveyors of perishable produce and
16 other agricultural commodities. Unbeknownst to Dasagroup, Silo was not properly licensed to
17 provide the financing services that it extended to Dasagroup, and it charged excessive and unlawful
18 fees in connection with that arrangement. Silo also structured its business and contracts in such a
19 manner as to disguise or conceal the fact that it operated as the public facing member or participant
20 of a "table lending" program whereby it and other lenders targeted the fresh produce industry. But
21 Silo did not have capital sufficient to fund the loans it provided and acted as essentially an
22 intermediary providing third-party funds belonging to other undisclosed lenders (like Jefferies) to
23 Dasagroup and other participants in the fresh-produce industry. By its counterclaim, Dasagroup
24 seeks to rescind all agreements it executed with Silo and Jefferies and recover all amounts
25 improperly paid under the Silo Instant Pay Program, in addition to other relief. By its cross-claim,
26 Dasagroup seeks to collect from London Fruit all unpaid invoices for delivery of Dasagroup's
27 avocados, the total amount of which exceeds \$662,000 on invoices that were not factored by Silo

1 under the Instant Pay Program and for which neither Silo nor Jefferies have any enforceable security
2 interests.

3 Finally, in response to what was written above, there is nothing remarkable about
4 Dasagroup's filings in this matter to preserve its rights on compulsory counterclaims and cross-
5 claims, in addition with respect to its third-party complaint against Silo.

6 **3. Legal Issues**

7 Jefferies's and Silo Technologies' Statement:

8 The principal legal issues in dispute are (1) whether the Master Services Agreement is a
9 valid, binding, and enforceable contract between Silo and Dasagroup; (2) whether Jefferies is a
10 secured creditor with respect to the Affected Receivables; (3) whether Dasagroup breached the
11 Master Services Agreement by *inter alia* retaining payments that London Fruit made on the
12 Affected Receivables ("Dasagroup Wrongful Retention"); (4) whether London Fruit breached the
13 agreements underlying the Affected Receivables by failing to make full payment on the Affected
14 Receivables; (5) whether the Dasagroup Forbearance Agreement is a valid, binding, and
15 enforceable contract between Silo, Dasagroup, and Jefferies, (6) whether Dasagroup' breached the
16 Dasagroup Forbearance Agreement by failing to pay the Existing Payment Deficiency as agreed;
17 (7) whether Dasagroup' statements that London Fruit had not made payments on the Affected
18 Receivables were false ("Dasagroup' False Representations"); (8) whether Dasagroup' False
19 Representations were made with the intent to defraud Silo and Jefferies and induced their reliance
20 on such statements; (9) whether Silo and Jefferies did rely on Dasagroup' False Representations;
21 (10) whether, as a direct and proximate result of relying on Dasagroup' False Representations,
22 Jefferies suffered harm; and (11) whether Dasagroup' Wrongful Retention constitutes conversion
23 of the payments London Fruit made.

24 Jefferies denies all allegations raised in Dasagroup's Counterclaims and maintains that all
25 requested relief under the Counterclaims should be denied.

26 Silo Technologies denies all allegations raised in Dasagroup's Third-Party Complaint and
27 maintains that all requested relief under the Third-Party Complaint should be denied.

Dasagroup's Statement: Dasagroup disputes and denies the editorialization of the legal issues referenced in Jefferies's statement above, but generally concurs with the statement of legal issues above. In addition, Dasagroup believes that the following issues are also pertinent as to its counterclaims against Jefferies: (i) whether Jefferies and/or Silo may seek to enforce debts incurred via a commercial lending arrangement made at the time that Silo was not properly licensed to provide the financing services that it extended to Dasagroup (and/or whether the amounts claimed should be reduced to comply with California law, including the state constitutional prohibition on usury); (ii) whether Silo structured its business and contracts in such a manner as to disguise or conceal the fact that it operated as the public facing member or participant of a "table lending" program targeting the fresh produce industry; (iii) whether Jefferies and/or Silo have attempted to collect on invoices that are not subject to a valid, enforceable security interest that is against public policy under the federal Perishable Agricultural Commodities Act; (iv) whether Dasagroup was under severe economic duress at the time it entered into the Forbearance Agreement; and (v) whether the agreements at issue are invalid/rescindable pursuant to Civil Code § 1689 because of one or more of the following: (a) whether Dasagroup's consent to those agreements was obtained through duress, menace, fraud, or undue influence; (b) the consideration for the obligation of Defendant/Counterclaimant fails in a material respect from any cause; (c) the contracts are unlawful for causes which do not appear in their terms or conditions and the parties are not equally at fault (including specific violations of California state law); and/or (d) the public interest will be prejudiced by permitting the Agreements to stand. As to the cross-claim against London Fruit, Dasagroup believes that London Fruit must pay Dasagroup for avocados delivered to London Fruit (especially as to more than \$660,000 of invoices that were not factored to Silo or Jefferies), and whether an account has been stated for collection of invoiced amounts.

4. Motions

A. Pending Motions

Jefferies's has filed a motion to dismiss Dasagroup's Counterclaims. *See* ECF No. 33. The motion will be fully briefed by January 24, 2025 and is scheduled to be heard on March 4,

2025. Silo Technologies has also filed a motion to dismiss Dasagroup's Third-Party Complaint. See ECF No. 51. The motion is scheduled to be heard on March 4, 2025.

B. Anticipated Future Motions

Jefferies's Statement: Jefferies anticipates filing a motion to enter default judgement against London Fruit, and a motion for summary judgment on its claims against Dasagroup.

To the extent any of Dasagroup's claims against Jefferies and/or Silo Technologies survive the motion to dismiss stage, Jefferies and Silo Technologies anticipate filing a motion for summary judgment on those surviving claims.

Dasagroup's Statement: In preparing to move for entry of default, Dasagroup has become aware of a possible defect in service of process as to London Fruit (whose registered agent is its parent company's San Francisco-based general counsel) and is attempting to correct that issue. London Fruit has not responded to prior overtures to waive service of process, and Dasagroup may need to move for additional time to effectuate service of process on London Fruit. Dasagroup may also be moving for leave to amend to add London Fruit's parent company, Grubmarket, Inc., to the lawsuit. Dasagroup may also file one or more motions for summary judgment as appropriate.

Joint Statement: The Parties reserve the right to file motions to compel discovery or other discovery-related motions, if necessary, as well as motions in limine, and other motions for miscellaneous relief at a later date.

5. Amendment of Pleadings

Jefferies's Statement: Jefferies does not anticipate filing amended pleadings at this time, but reserve its right to do so.

Silo Technologies' Statement: Silo Technologies has filed no pleadings in this litigation.

Dasagroup's Statement: Based on recent information learned through further investigation of underlying events, Dasagroup anticipates moving to amend its third-party complaint to add Grubmarket, Inc. — London Fruit's parent company — to the lawsuit.

1 **6. Evidence Preservation**

2 The Parties have agreed to preserve all evidence that may be relevant to this action. The
3 Parties have also reviewed the Guidelines Relating to the Discovery of Electronically Stored
4 Information (“ESI Guidelines”), as well as the Northern District of California’s Checklist for ESI
5 Meet and Confer. Pursuant to Rule 26(f) of the Federal Rules of Civil Procedure, the Parties have
6 discussed generally the preservation of evidence relevant to reasonably evident issues. The Parties
7 anticipate that electronically-stored information (“ESI”) will be subject to discovery, and they are
8 actively meeting and conferring for purposes of developing a joint protocol for production of ESI.
9 The Parties reasonably anticipate stipulating to a protocol governing ESI discovery in this matter
10 substantially in the form of this Court’s Model Stipulated Order re: Discovery of Electronically
11 Stored Information for Standard Litigation.

12 **7. Disclosures**

13 Jefferies and Dasagroup served the information required by Federal Rule of Civil Procedure
14 26(a)(1) on November 18, 2024.

15 Silo Technologies will serve the information required by Federal Rule of Civil Procedure
16 26(a)(1) by January 31, 2025.

17 **8. Discovery**

18 Jefferies served its First Request for Document Production on Dasagroup on January 9,
19 2025. Dasagroup is propounding its first sets of discovery this week. Dasagroup’s deadline to
20 respond is February 10, 2025.

21 The Parties intend to present a proposed protective order to the Court for approval, and
22 Dasagroup has suggested using one of the Court’s model order. The Parties will continue to meet
23 and confer on the necessity of a protocol governing the discovery of electronically stored
24 information. There are no current discovery disputes, and the Parties do not have any proposed
25 limitations or modifications to the discovery rules outlined in the Federal Rules of Civil Procedures

26 *Service.* Service on a party to the litigation of any documents not filed via ECF, and delivery
27 of all correspondence, whether under seal or otherwise, shall be by email to all attorneys for the
28

1 receiving party. The Parties will provide each with “service lists” that can be used to serve
2 documents. Where voluminous documents are not practicably transmitted by email, the Parties
3 further agree to accept service by other reasonable and mutually agreed electronic means so long
4 as the sender provides sufficient instructions on how to access the documents, and confidential
5 information is secure. The Parties further agree that a document is deemed served on a particular
6 day if it (or an email providing access to it) is received by 11:59 p.m. Pacific Time on that calendar
7 day.

8 **9. Class Action**

9 Not applicable.

10 **10. Related Cases**

11 The Parties are not currently aware of any cases or proceedings that are “related” within the
12 meaning of Civil Local Rule 3-12(a).

13 **11. Relief**

14 Jefferies’s Position: A complete computation of all categories of damages (which continue
15 to accrue) is premature at this stage of litigation and Jefferies reserves the right to supplement its
16 damages categories and calculations. At a minimum, as of November 15, 2024, Jefferies is entitled
17 to at least \$3,006,617.90 of compensatory damages, which is the amount outstanding under the
18 Affected Receivables including any late fees accrued as of that date. Jefferies is also entitled to
19 recover any additional interest, finance charges, and/or penalties incurred to the fullest extent
20 permitted by law. Jefferies is further entitled to recover costs of collection, including attorneys’
21 fees, court costs, and expenses. Because such fees and expenses are still accruing, a computation is
22 not currently possible. Finally, Jefferies is entitled to punitive damages from Dasagroup.

23 With regards to Dasagroup’ Counterclaims, Jefferies maintains that all requested relief
24 should be denied.

25 Silo Technologies’ Position: Silo concurs with Jefferies position, above, on the relief to
26 which Jefferies is entitled on its claims. Additionally, Silo is entitled to recover its attorneys’ fees,
27
28

1 court costs, and expenses. With regards to Dasagroup's Third Party Claims, Jefferies maintains
2 that all requested relief should be denied.

3 Dasagroup' Position: Unbeknownst to Dasagroup, its former factoring company/
4 commercial lender Silo Technologies, Inc. — predecessor to Jefferies — was not properly licensed
5 to provide the financing services that it extended to Dasagroup. Silo also structured its business
6 and contracts in such a manner as to disguise or conceal the fact that it operated as the public facing
7 member or participant of “table lending” program whereby it and other lenders targeted the fresh
8 produce industry. But Silo did not have capital sufficient to fund the loans it provided and acted as
9 essentially an intermediary providing third-party funds belonging to other undisclosed lenders (like
10 possibly Jefferies) to Dasagroup and other participants in the fresh-produce industry. Because of
11 this, Dasagroup seeks to rescind all agreements it executed with Silo and Jefferies. Dasagroup also
12 seeks (i) repayment of all 2% factoring fees and any other excessive or unlawful fees it paid to Silo
13 and/or Jefferies (as applicable) over the course of the Silo Instant Pay Program; (ii) repayment of
14 all improper late-fees and other charges incurred under the Silo Instant Pay Program and/or
15 Forbearance Agreement; (iii) reconveyance/repayment of all improper payments obtained directly
16 from Dasagroup's customers for payments allegedly owed on invoices to which neither Silo nor
17 Jefferies held a valid or enforceable security interest; and (iv) all recoverable costs and attorneys'
18 fees. In addition, more than \$660,000 in other invoices is owed by London Fruit to Dasagroup on
19 post-July 2024 receivables that were not factored by Silo.

20 **12. Settlement & ADR**

21 Jeffries' Position: The Parties have engaged in settlement discussions prior to the filing of
22 Jefferies's Complaint, and have an in-person settlement conference scheduled for May 9, 2025 with
23 Chief Magistrate Judge Donna M. Ryu.

24 Dasagroup's Position: Dasagroup concurs that a settlement conference is scheduled before
25 Magistrate Judge Ryu, and there have been informal discussions and information exchanges
26 between counsel since the filing of the pleadings identified above.

27 ///

1 **13. Other References**

2 The Parties do not believe that this case is suitable for reference to binding arbitration, a
3 special master, or the Judicial Panel on Multidistrict Litigation.

4 **14. Narrowing of Issues**

5 The Parties will consider issues that can be narrowed by agreement or by motion, as well
6 as potential means to expedite the presentation of evidence at trial.

7 **15. Scheduling**

8 The Parties incorporate the Court's Case Scheduling Order entered on December 13,
9 2024. *See* ECF No. 32.

10 **16. Trial**

11 The Parties demand a trial by jury, and incorporate the Court's Case Scheduling Order
12 entered on December 13, 2024. *See* ECF No. 32.

13 **17. Disclosure of Non-Parties Interested Entities of Persons**

14 Jefferies' Statement: Jefferies filed its Certification of Interested Entities or Persons as
15 required by L.R. 3-15. ECF No. 7. As stated in its filing, Jefferies is not aware of any interested
16 entities or persons with a financial interest in the subject matter in controversy other than Jefferies
17 Financial Group Inc.

18 Silo Technologies' Statement: Silo Technologies filed its Certification of Interested Entities
19 or Persons as required by L.R. 3-15. ECF No. 52. As stated in its filing Silo Technologies is not
20 aware of any interested entities or persons with a financial interest in the subject matter in
21 controversy other than AgTech Buyer Inc. and Ag Tech Topco, LP.

22 Dasagroup' Statement: Dasagroup filed its Certification of Interested Entities or Persons
23 as required by L.R. 3-15. ECF No. 17. Pursuant to Civil L.R. 3-15, the undersigned further certifies
24 that as of this date, other than the named parties (and possibly Grubmarket, Inc., parent company
25 to London Fruit, Inc.), there is no such interest to report.

26 ///

27 ///

1 **18. Professional Conduct**

2 The attorneys of record for the Parties have reviewed the Guidelines for Professional
3 Conduct for the Northern District of California.

4 **19. Other**

5 Not applicable.

6
7 Dated: January 23, 2025

/s/ Rebecca G. Durham

Rebecca G. Durham

Michael T. Jones

9 Martin L. Seidel (pro hac vice admission)

10 Stosh M. Silivos (pro hac vice admission)

787 Seventh Avenue, 31st Floor

11 New York, NY 10019

12 Telephone: (212) 513-3200

13 Attorneys for Jefferies Funding LLC and Silo
14 Technologies, Inc.

15 Attorneys for Jefferies Funding LLC and Third-
16 Party Defendant Silo Technologies

17 Dated: January 23, 2025

/s/ Mario A. Moya

18 Mario A. Moya

19 Attorney for Dasagroup Holding Corp. (d/b/a
20 Kickhass Avocados)

21 **CIVIL L.R. 5-1(h)(3) ATTESTATION**

22 Pursuant to Civil Local Rule 5-1(h)(3), I, Rebecca G. Durham, hereby attest under penalty
23 of perjury that concurrence in the filing of this document has been obtained from all signatories.
24

25 Dated: January 23, 2025

/s/ Rebecca G. Durham

26 Rebecca G. Durham

27 Attorneys for Jefferies Funding LLC and Third-
28 Party Defendant Silo Technologies